

NOTICE OF SETTLEMENT

Exhibit 1

CLAIMS POTENTIALLY BENEFITTING YOU HAVE BEEN ASSERTED IN U.S. DISTRICT COURT IN GREAT FALLS, MONTANA, AND CONDITIONALLY HAVE BEEN SETTLED

Why Did I Get This Notice?

A legal action was initiated by current and former participants in the employee health plans of several Montana hospitals, including the Billings Clinic. The action is captioned *Turner et al. v. Northern Montana Hospital, et al.*, and is currently pending in U.S. District Court for the District of Montana, Great Falls Division, under Cause No. CV-17-141-GF-BMM. A settlement agreement has been reached in the case.

Records show that you may be a current or former participant in the Billings Clinic employee benefit health plan—known as the Billings Clinic Employee Benefit Plan and Trust—who participated between the dates of January 1, 2012, and December 31, 2017. You may be eligible to receive a payment as a result of the settlement.

Who Are The Parties Involved And What Is This Lawsuit About?

Attorneys for the Plaintiffs represent individual current or former participants in the Defendant hospitals' employee benefit health plans. Plaintiffs alleged that while serving as fiduciaries of their employee health plans, the Defendant hospitals violated duties owed under a federal law known as ERISA and engaged in self-dealing, conflicted interest transactions, mismanagement of plan assets, and breach of fiduciary duties to plan participants and beneficiaries.

Specifically, Plaintiffs alleged that Defendants entered into an agreement with Blue Cross Blue Shield of Montana ("BCBSMT") effective between January 1, 2012, and December 31, 2017, whereby the health plans overpaid for insurance and administrative services, including with contributions from employees, and that the hospitals received "purchase price" payments from BCBSMT as part of the arrangement. Plaintiffs sought compensation on behalf of the plans and their participants for alleged inflated payments to BCBSMT, as well as disgorgement

from Defendants of amounts received from BCBSMT. Plaintiffs retained expert ERISA fiduciaries and attorneys who concluded the plans paid inflated premiums and/or administrative fees and that non-conflicted ERISA fiduciaries would not have bound the plans thereto.

Billings Clinic denies Plaintiffs' allegations. More specifically, Billings Clinic denies that it breached any fiduciary duty. Billings Clinic denies that it and/or plan participants paid excessive administrative fees or insurance premiums or that Billings Clinic received any improper payments from BCBSMT. Billings Clinic contends that the insurance premiums paid by Billings Clinic and plan participants from 2012-2017 were well below the industry standard, have not increased for several years, and that the coverage provided to plan participants was above industry standard. Billings Clinic retained experts and consultants who opined that Billings Clinic acted appropriately and that no part of the BCBSMT transaction violated the law.

The parties engaged in discovery of evidence related to allegations, depositions of witnesses, and disclosure of their experts. A mediation was conducted on September 16, 2019, and the parties have now agreed to settle.

Has the Lawsuit Been Resolved?

Plaintiffs have entered into settlement agreements with each of the Defendant hospitals, including Billings Clinic. These settlements resolve the claims against the hospitals.

With respect to Billings Clinic, upon court approval of the settlement agreement and entry of a bar order, and subject to all other terms of the agreement, Billings Clinic and/or its insurer(s) will pay (a) \$1,570,100 to settle the claims; and (b) \$900,000 for attorney fees and costs. In exchange, Billings Clinic will receive a release and dismissal of the litigation against it.

The amount of the settlement after payment of attorney fees and costs and reduction for any taxes or withholdings deemed appropriate by the court-

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appointed settlement fiduciary will then be paid to people who were plan participants between January 1, 2012, and December 31, 2017.

What Do I Need To Do?

If you do not object to the settlement, you do not need to do anything. You may receive a distribution as determined by an impartial professional trustee. If your address changes, you should notify the attorneys identified below.

If you do object to the settlement, you need to lodge an objection with the U.S. District Court for the District of Montana, Great Falls Division, under cause number CV-17-141-GF-BMM. A copy of the objection must also be provided to the following attorneys:

John L. Amsden, Esq.
BECK AMSDEN & STALPES PLLC
1946 Stadium Drive, Suite 1
Bozeman, MT 59715

John M. Morrison, Esq.
MORRISON SHERWOOD WILSON & DEOLA PLLP
401 North Last Chance Gulch, PO Box 557
Helena, MT 59601

Shane P. Coleman, Esq.
HOLLAND & HART LLP
401 North 31st Street, Suite 1500
Billings, MT 59101

Any objection must be received by the Court and the attorneys by_____, 2019, in order to be considered.

There will be a court hearing on_____, 2019, at_____.m., at the Missouri River Federal Courthouse located at 125 Central Avenue West in Great Falls, Montana, 59404. At this hearing, the judge presiding over this case, the

Honorable Brian Morris, will consider whether or not to approve this settlement. If it is approved, Judge Morris will enter a "bar order" protecting Defendant Billings Clinic and related parties from any further litigation related to these claims. You are free to attend this hearing but you are not required to attend.

What If I Have Questions?

If you have questions, please call or write us at:

Tel: (406) 577-2555

Email: info@becklawyers.com